

Headquarters U.S. Air Force

Integrity - Service - Excellence

Next Generation COCESS Contract VTC (13 Dec 00)



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**SMSgt Terry M. Day
HQ AFCESA/CEOM
13 Dec 00**



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OVERVIEW

- **View from the TOP (AF/ILEXO)**
- **Team Members**
- **Background of COCESS**
- **IPT Goals and Responsibilities**
- **Current Procurement Methods**
- **MAJCOM Pros and Cons**
- **VTC Wrap-Up**



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VIEW FROM THE TOP

- **AF/ILEXO (Lt Col Conner)**
 - **Development of COCESS SOW for future generation BCE Logistical Support**
 - **Full participation and cooperation of all members toward common goal**



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TEAM MEMBERS

- **Chair**
- **Key Forum Representatives**
- **Key IPT Members**
- **Research IPT Members**



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TEAM *MEMBERS*

- **Colonel Byers, AF/ILEX - Chair**

- **Key Forum Representatives**
 - **Colonel Richard Howell (HQ PACAF/CEO)**
 - **Colonel Thomas Griffith (HQ AFMC/CEO)**
 - **Mr. Paul Parker (HQ ACC/CEO)**
 - **Colonel Lance Brendel (HQ AFCESA/CEO)**



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Team Members

- **Key IPT Members**
- **Lt Col Michael Conner (HQ USAF/ILEXO)**
- **Mr. Daniel Schwarz (HQ USAF/ILEXO)**
- **Lt Col Bart Hedley (HQ AFCESA/CEOM)**
- **Maj James Andersen (SAF/AQC)**
- **SMSgt Terry Day (HQ AFCESA/CEOM)**
- **Mr. Richard Childers (HQ ACC/CEOO)**
- **SMSgt Nancy McHugh (HQ PACAF/CEO)**
- **MSgt George Kruse (HQ AMC/CEOG)**



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TEAM MEMBERS

- **Research IPT Members**
- **MSgt Thomas McMahon (Elmendorf)**
- **Ms. Jo Smith (Offutt)**
- **Ms. Thea Ridder (Shaw)**
- **Mr. Tom Rodney (Mt.Home)**
- **Mr. Tim Yuen (Mt. Home)**
- **Mr. Robert Jensen (Whiteman)**
- **Mr. Terry Stoddart (Nellis)**
- **Ms. Yvonne Belland (Hickam)**
- **Ms. Nancy Svergko (Charleston)**
- **Mr. Clay Johnson (Dover)**



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TEAM MEMBERS

- **Research IPT Members**
- **Mr. Jerry Gaskin (Fairchild)**
- **Mr. Eugene Hayes (Grand Forks)**
- **Ms. Deanna Lowe (McGuire)**



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GOALS OF IPT

- **Review draft COCESS SOW posted on AFCESA web site**
- **Review SOO for SERVMART sent to research IPT members via e-mail**
- **Look at current procurement methods in use at bases**
 - **Determine Pros and Cons of current methods**
 - **Decide how methods could be improved**
 - **Take best of the best and merge them into single SOW**



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GOALS OF IPT

- **Draft SOW for use at Jan 01 Forum**
- **Be available for further questions/research as necessary**



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ROLES AND RESPONSIBILITIES

- **Research IPT Members**
- **Key IPT Members**
- **Key Forum Representatives**



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Research IPT Members

- **Review Generic SOW to see how it could be modified to fit the needs of your operation**
- **Review SOO for SERVIMART to see how it could be modified to fit the needs of your operation**
- **Determine pros and cons of current procurement tools that your unit uses**
- **Provide ideas/concepts for current procurement tool enhancements**
- **Develop and review draft SOW for future generation COCESS contract**



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Key IPT Members

- **Use MAJCOM and base inputs to develop and review draft SOW**
- **Write and publish CBD announcement with draft SOW as attachment**
- **Determine which of the research IPT members should attend Atlanta forum**



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BACKGROUND OF COCESS

- **Began in 1970 in the Strategic Air Command**
- **COCESS designed to support BCE through provision of quality supplies at competitive prices within reasonable period of time**
- **COCESS allows for guaranteed level of BCE supplies to be maintained on hand**
- **Contractor operates COCESS as an independent business organization under contract with base**



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Current Procurement Methods

- GOCESS
- COCESS
- IMPAC
- Prime Vendor
- SERVMART



- **Utilize CEMAS menu driven subsystem of WIMS - projected to be converted to ACES**
- **Manning consists of military and civil service employees**
- **Ordering function, stores and warehouses operated by government employees**
- **Requirements passed to base contracting restricted to those over \$2,500**
- **Requires line item accounting processes be employed**



- **CSLs and BOMs required to be built for all work orders**
- **CSLs required to be built for items stocked in store or shop stocks**
- **Critical dollars obligated up-front to stock items for immediate use**
- **Specific responsibilities are spelled out in AFPAM32-1004V4**



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GOCESS PROS

- Allows for other procurement methods to be used (AFMC)



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GOCESS CONS

- CEMAS software slow and outdated (PACAF)
- CEMAS software does not allow for two sources/options for purchase (PACAF)
- Training on software is limited to outdated CD-ROM (PACAF)
- Funds management training is limited to non-existent, many managers don't understand roles/responsibilities (PACAF)



- **Contract for supplies maintained within COCESS store managed by contractor**
- **QAE required to monitor contract to ensure contract compliance**
- **Manning of storage and issue location for store assets is contractor responsibility**
- **Critical operating dollars spent when items are required but cost may be greater**
- **Warehouses and military personnel still required to store work order assets**



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COCESS

- Requires line item accounting processes
- CSLs and BOMs are required for materials
- Material Control and CE shops are required to use contractor for all supply requirements
- Different contracts written at base level allow for different amounts of NPI charges
- Local vendors may not be provided opportunity to provide support



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COCESS PROS

- **Overall support is adequate and emergency support is exceptional (ACC)**
- **Contract provides craft workers with needed materials for mission support (ACC)**
- **Potential to serve needs of customer based on geographical location limitations (ACC)**
- **Contractors become proficient over time (AFMC)**
- **Materials obtained in timely manner usually at competitive price (AFMC)**
- **Works within the limitations (PACAF)**



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COCESS CONS

- **Does not allow for wide range of buying power (PACAF)**
- **Training on how system works is needed (PACAF)**
- **Lack of procurement choice available to units (AFMC)**
- **Process adds additional cost and increased response time (ACC)**
- **Wide variance in NPI fee (ACC)**



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COCESS CONS

- **Prices paid are higher than local area retail (ACC)**
- **Contractor frequently uses sources other than those in local area (ACC)**
- **Requirement for bases to order CE items through COCESS contractor**
- **Creates additional workload for Material Acquisition personnel (ACC)**



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IMPAC

- **Allows freedom to buy what you need when you need it provided restrictions (i.e., HAZMAT, photocopy, minor construction, etc.) are satisfied**
- **Frees up warehouse space**
- **Unless restricted to logistics personnel only, allows craft workers to make purchases-blessing and curse**



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IMPAC

- Purchases not entered in WIMS - creates situation where reimbursable expenses are not accounted for and line item accounting is not performed - problem for earning O&M
- Capable of cutting logistics pipeline time significantly since local sources are used
- Requires same level of manning as GOCCESS



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IMPAC PROS

- **Materials can be purchased at a much better price (ACC)**
- **Item can be purchased from Grainger or other suppliers on GSA contract much cheaper than with other procurement methods (ACC)**
- **Materials purchased are of better quality (ACC)**
- **Materials are received much faster (ACC)**
- **Best way to buy materials but need contracting buyers to perform task (ACC)**



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IMPAC PROS

- **Provides capability to order materials “just-in-time” (ACC)**
- **Frees up warehouse space (ACC)**
- **Lead time has been reduced from over 120 days to less than 15 (ACC)**
- **Saves dollars spent on surcharges for Prime Vendor (ACC)**
- **Provides for needed flexibility (PACAF)**
- **Allows units the ability to get materials in a “just-in-time” manner (AFMC)**



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IMPAC CONS

- **Added workload incurred by CE Material Control (ACC)**
- **Contracting no longer procuring items below \$2,500 threshold (ACC)**
- **Some bases have moved craft workers from shops to fill in as buyers (ACC)**
- **IMPAC statement reconciliation creates additional workload (ACC)**
- **IMPAC dollar threshold restriction not adequate to support requirements (ACC)**



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IMPAC CONS

- **Program can be extremely manpower intensive (ACC)**
- **Limitations on dollar amount (\$2,500) if pre-priced agreements or contracts are not available (PACAF)**
- **Shops do not always process IMPAC purchases for work/job orders through IWIMS/CEMAS (PACAF)**
- **More stringent controls on control and accountability of card use need to be established (PACAF)**



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IMPAC CONS

- Documentation required to use program is extensive (AFMC)



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PRIME VENDOR

- **Contract managed by DLA does not require QAE position to monitor**
- **BCE can order what he needs when he needs it and have it delivered either incrementally or entire work order at same time**
- **Reduces need to man warehouses/stores**
- **Uses MILSTRIP format to allow Material Control to easily order parts**
- **Offers expedient method of procurement with least amount of red tape**



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PRIME VENDOR

- **Units can order any amount of an item desired without restriction**
- **Local vendors can be used to satisfy requirement**
- **Surcharge charged for obtaining materials**



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PRIME VENDOR PROS

- PV is much quicker than conventional contracting (PACAF)
- PV allows return of excess material (PACAF)
- PV is not limited to \$2,500 threshold (PACAF)
- PV provides a wider range of buying power (PACAF)
- PV does not require us to accept substitutes (PACAF)



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PRIME VENDOR PROS

- **PV gives units flexibility to make major purchases without going through competitive sourcing (AFMC)**
- **Units are not required to use PV if dissatisfied with specific supplier (AFMC)**



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PRIME VENDOR CONS

- Very expensive with items costing 10 to 30 percent more (ACC)
- Takes too long (1 to 2 weeks) to get request for quote from contractor (ACC)
- System not in place to track and tie items received to DLA billing process (ACC)
- Manual validation of billing process could result in being billed for items not received (ACC)
- Units could be charged twice for same item (ACC)



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PRIME VENDOR CONS

- Units could pay incorrect price for items received (ACC)
- Incompatibility of computer software (PACAF)
- Prime Vendor training needs to be provided (PACAF)



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PRIME VENDOR PROS

- **Allows for purchases costing over the IMPAC threshold and not on GSA contract (ACC)**
- **Experience with PV contractor has been good**
- **Contractor works with us, getting the material we need in a timely manner (ACC)**
- **Buying through PV is quick and easy (ACC)**
- **Eliminates hassle of going through contracting to buy items costing over \$2,500 threshold (ACC)**



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SERVMART

- **Allows contractor to provide all BCE type materials at lowest cost (not yet proven)**
- **Allows government employees to use other sources of supply**
- **Contractor responsible for manning store**
- **Cuts number of government employees required to maintain materials**
- **Performance-based BPA - vendor either performs to contract specifications and customer satisfaction or loses contract**



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SERVMART

- **Vendor catalogs can be used to obtain materials**
- **Allows greater flexibility on dollar amount of items to be procured**
- **QAE still required to ensure contractor performs within contract specifications**



Key Forum Representatives

- Attend Industry Day forum in Atlanta
- Complete SOW based on IPT member discussion/input during VTCs and information gleaned from contractors during Atlanta Forum Day briefs
- Coordinate and approve final SOW



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VTC Wrap-Up

- **Review Timeline of Action Items**
 - **Draft SOW NLT 4 Jan 01**
 - **Publish CBD NLT 12 Jan 01**
 - **Complete action items for Forum NLT 15 Jan**
- **Future VTCs Planned and being scheduled**
 - **10 Jan 01 time is TBD and announced via e-mail - one last opportunity to add anything of value to draft SOW**